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November 21, 2011

Ms. Cynthia I. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Finance Docket No. 35561, *Lake State Railway Company-Intra-Corporate
Family Merger Exemption-Saginaw Bay Southern Railway Company*

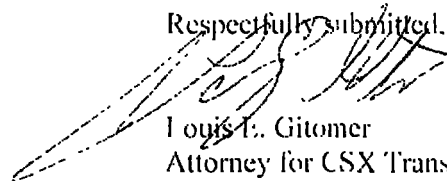
Dear Ms. Brown:

CSX Transportation, Inc. ("CSXT") supports the proposed intra-corporate merger of Saginaw Bay Southern Railway Company ("SBS") into its corporate affiliate the Lake State Railway Company ("LSRC").

CSXT has been an interchange partner with SBS since SBS started operating. For railway accounting purposes, SBS has been a Junction Settlement ("JS") carrier through CSXT. As a result of the merger of SBS into LSRC, the SBS lines will be converted to the Interline Settlement System ("ISS") beginning on or about March 1, 2012. CSXT supports the merger and the change from JS to ISS for accounting purposes.

CSXT is e-filing this letter. Thank you for your assistance. If you have any questions, please contact me.

Respectfully submitted,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Cc: Mr. Litwiler

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